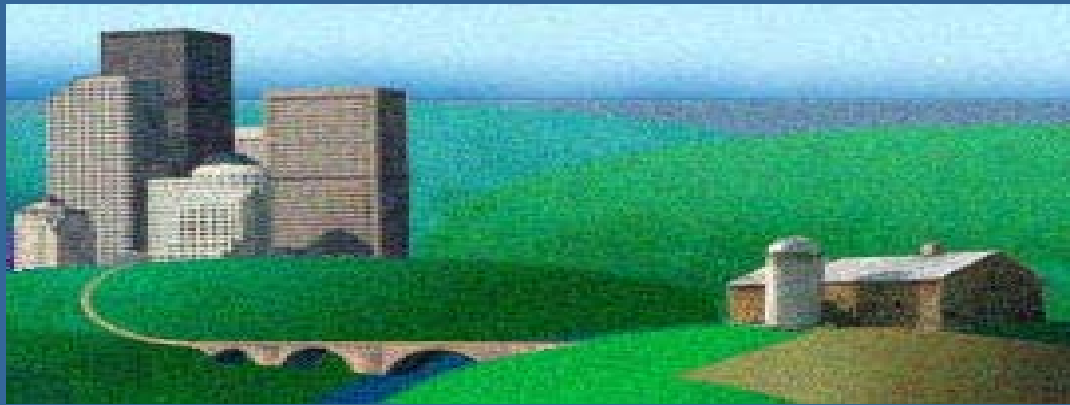


U.S. SMALL BUSINESS ADMINISTRATION



PORTLAND DISTRICT OFFICE

The HUBZone Program

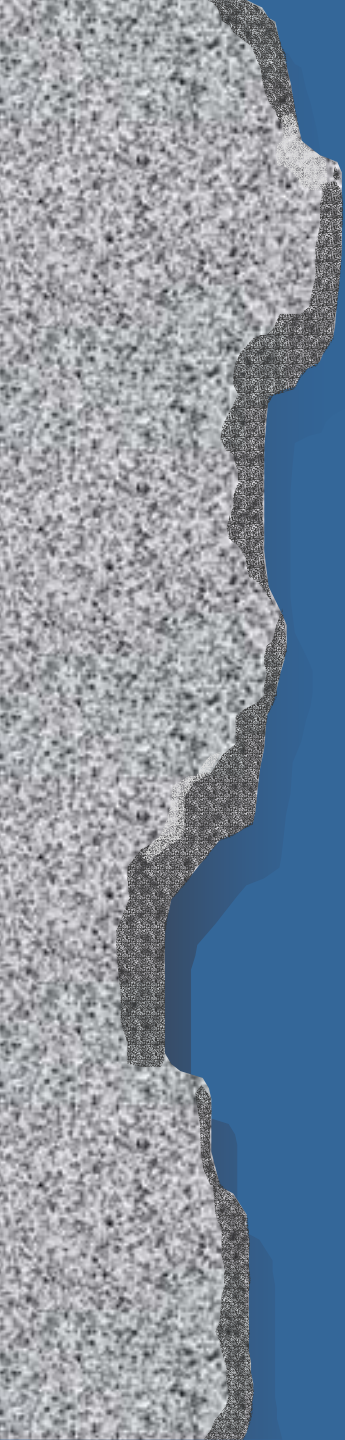




**The HUBZone Act of 1997
created the**

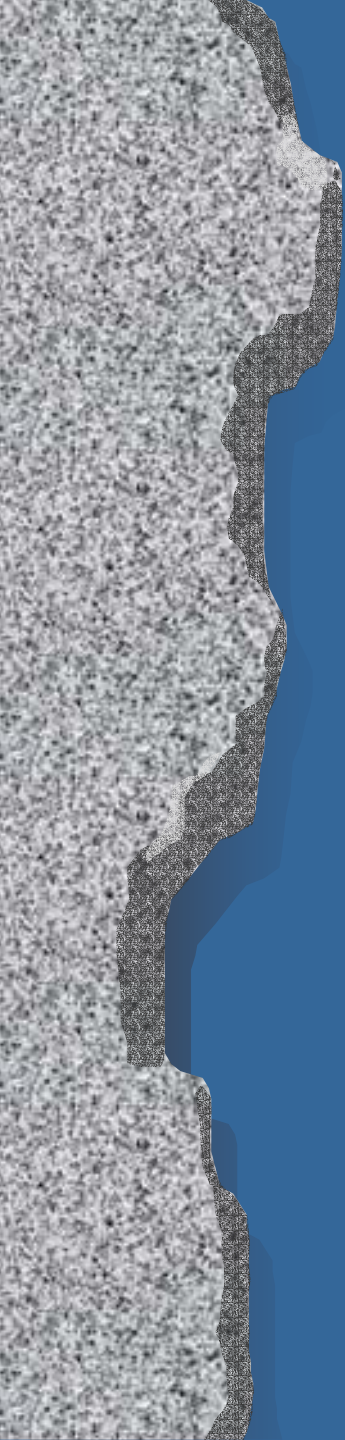
**HUBZone Empowerment
Contracting Program**

**Applications became available
March 1999**



The HUBZone Program effective
date for ten major federal
agencies was
October 1, 1999.

It became effective for all federal
agencies on October 1, 2000.



The HUBZone Program is designed to promote business and job opportunities in high unemployment and low income areas by increasing federal contracting activity in those areas.

HUBZones:

(Historically Underutilized Business Zones)

- **Urban -- Located in more than 7,000 urban census tracts**
- **Rural -- 900 counties**
- **Federally recognized Native American reservations.**



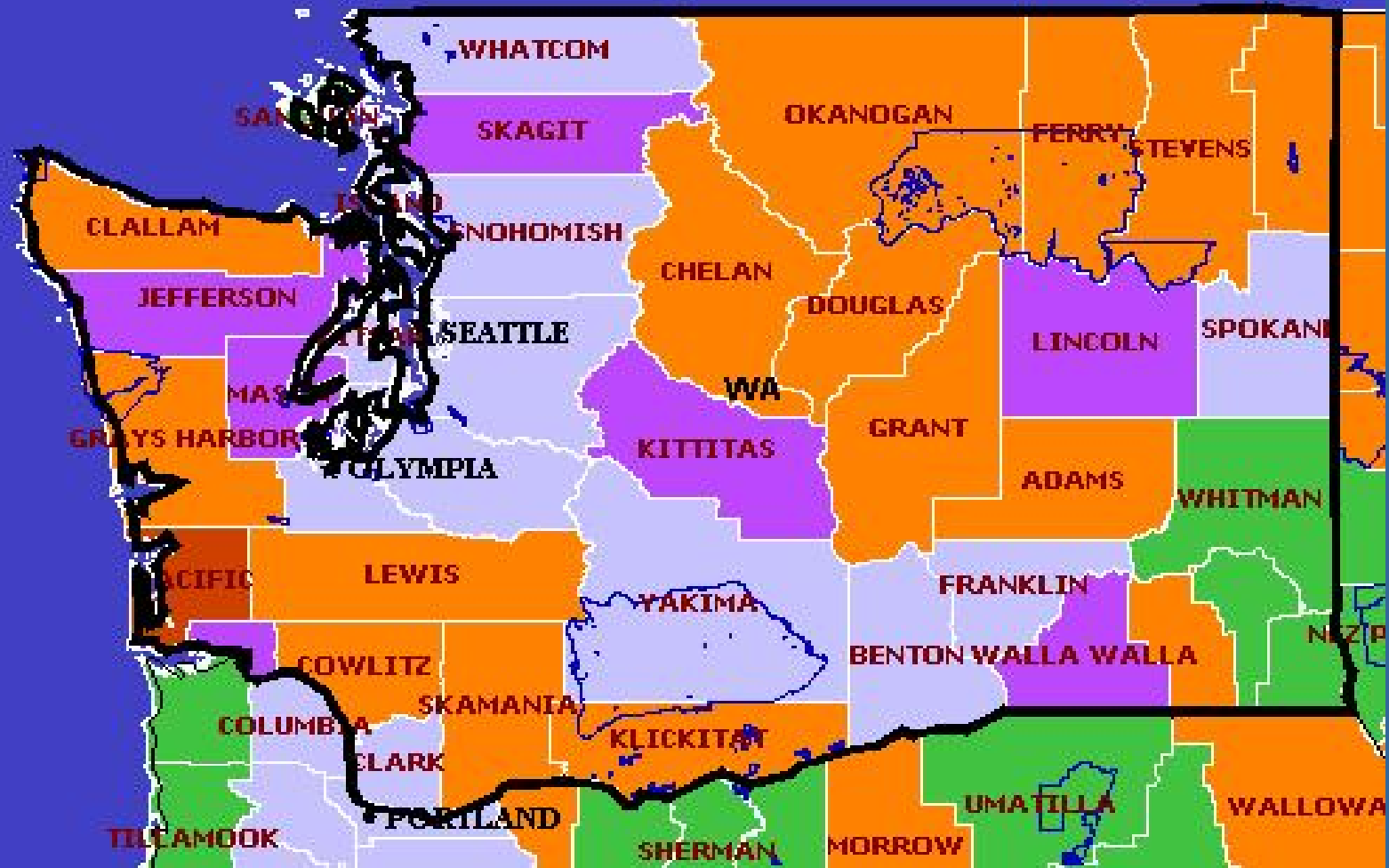
Oregon has:

17 HUBZone counties

58 HUBZone census tracts

**8 Federally recognized Native
American reservation**

HUBZone: Eligible Areas in Washington (6/02)



HUBZone Certified Businesses (as of 6/24/02)

- **5809 firms in USA**
- **260 firms in Oregon** (4.48%)
- **326 firms in Washington** (5.61%)
- **191 firms in Idaho** (3.29%)
- **Total OR, WA, ID = 777 or 13.38% of total for USA**



SBA's Internet Web Page
<http://www.sba.gov/hubzone>

HUBZones by:

- State
- County
- Census Tract
- Specific address
- Native American Reservation

HUBZone Benefits

- **Participation in restricted competitions**
- **Price preferences over large contractors**
- **Subcontracting opportunities with large contractors**
- **Sole-source contracts**

HUBZone Benefits:

→ PRICE PREFERENCES

- 10% price preference over large firms in full & open competition. Only used when HUBZone restricted competition is not possible.

HUBZone Benefits:

→ SUBCONTRACTING OPPORTUNITIES

- Large Prime Contractors establish subcontracting plans with SBA. These plans set out goals for subcontracting with Small Businesses, HUBZone SBC's, Small Disadvantaged (SDB), Women Owned, and Veteran Owned.**

HUBZone Contract Benefits:

- SOLE-SOURCE CONTRACTS
- Optional at buyers discretion
- Not used when competition is possible.
- Not allowed < \$100,000 *.
- * based on advanced estimate of contract value by agency

HUBZone Benefits:

- **HUBZone program benefits apply regardless of where the contract will be performed or where the contracting activity (buyer) is located.**

HUBZone Firm Qualifications

- 1. Must be a small business
- 2. Principal office must be located in a **HUBZone**
- 3. At least 35% of the employees must reside in **HUBZone**
- 4. Must be 100% owned *and* controlled by US citizens

HUBZone Firm Qualifications

- 1. Must be a small business
- SBA defines a small business as one that is small for its primary North American Industry Classification System (NAICS) Code.
- *NAICS replaced SIC on October 1, 2000*

HUBZone Firm Qualifications

- 2. Principal office must be located in a **HUBZone**
- Principal Office means “the location where the greatest number of the (SBC’s) permanent FTE employees at any one location perform their work”
- Separate definition for services and construction firm excludes employees that perform majority of work at job-site locations to fulfill specific contract obligations

HUBZone Firm Qualifications

- 3. At least 35% of the permanent FT or FTE employees* must reside in **HUBZone**
- * FT = 30 hours per week or more
- FTE = part time employees hours can be aggregated when total = > 40 hours

HUBZone Firm Qualifications

- 4. Must be 100% owned *and* controlled by US citizens
- Includes all stockholders, Officers, Directors, Partners, Key people.

Get HUBZone certified:

- **Apply via e-mail or download an application from the SBA Website**
- **30 day turn for complete package**
- **one-year waiting period to reapply if application declined**

To remain HUBZone eligible:

- Must certify annually to SBA
- There is no limit to length of time **HUBZone** firm can remain eligible

Certification does not guarantee contracts!

- **How to locate contracts:**
- **Register in PRO-Net**
- **Use GCAP & FedBizOpps.com and other services**
- **Marketing to targeted buyers**
- **Bid on non-HZ projects**